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CENTRAL INTELLIGENCE AGENCY
Office of Research and Reports
24 April 1964

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CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Prospects for Agriculture in Communist Countries, 1964

1. In the USSR, crop prospects as of mid-April continued to be relatively favorable. Soil moisture reserves at the end of March were good to excellent in the most important agricultural regions, but weather during the current growing season will play a major role in determining the size of the harvest.

Despite below normal precipitation in the "new lands" area during February and March, moisture reserves are good throughout the area and prospects for the grain crop in this area are much better than in April, 1963. A shortage of good quality seed may hamper Soviet efforts to recover from the disastrous 1963 wheat crop, although the wheat imported from Canada (where wheat grows under conditions like those in the new lands), would probably be suitable for seed.

2. In the European Satellites the condition of winter grains as of mid-April continued to be more favorable than at the same time last year except in Rumania and Bulgaria. Near normal precipitation occurred in March but was not sufficient to overcome the deficit of soil moisture in Bulgaria and Rumania.

The livestock situation is currently not as favorable as that for crop production. Slaughterings are generally lower than a year ago. Retail supplies of meat remain tight with no improvement in sight before next fall. Limited evidence indicates a percent upward trend in food prices in several Eastern European countries.

Some Satellites are in the market for grain imports for consumption prior to the 1964 harvest. East Germany and Czechoslovakia have recently purchased small amounts of corn from the US for delivery in May, and they may be shopping for additional quantities of feed grains in other Free World countries. Hungary and Bulgaria also may need to import additional wheat before July.

3. In Communist China prospects for the winter (fall seeded) wheat crop remained favorable through March because of continued above normal precipitation in the major producing regions. However, heavy snow and prolonged unseasonable

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freezing reportedly were detrimental to other winter crops--primarily rape, sweet potatoes, and miscellaneous grains--in portions of Central, South, and East China. A continuation of the excessive precipitation in Central and East China may delay or prevent the spring sowing of major food crops.

Contracts for the purchase of about four million tons of grain have been concluded to date, primarily for delivery in the first half of 1964. Imports of grain during the first half of 1963 totalled 3.7 million tons.

4. In North Korea sowing conditions remained favorable through March. Precipitation was above normal during March and soil moisture reserves are believed to be high.

5. In North Vietnam as of the end of March moisture conditions appeared to be better than average. Prospects for the spring (May harvested) rice crop are considerably better than last year when about one-fourth of the total acreage was affected by severe drought. Officials claim that the planned rice acreage goal was met, but delayed transplanting caused by unseasonal cold weather and waterlogging, probably will limit the anticipated increase in yield.

In order to supplement tight food supplies, North Vietnam continues to import coarse grain, primarily corn, from China.

6. As of 31 March, Cuba probably had produced between 2.3 and 2.5 million tons of sugar since the beginning of the 1964 harvest. By the same date in 1963, almost 2.3 million tons of sugar had been produced. There were 138 mills grinding on 31 March, 1964, compared to 135 mills on the same date in 1963.

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